

Overview of 3Q, FY3/2018 performance

January 31, 2018

Sumitomo Mitsui Financial Group, Inc.

This document contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995), regarding the intent, belief or current expectations of us and our managements with respect to our future financial condition and results of operations. In many cases but not all, these statements contain words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “risk,” “project,” “should,” “seek,” “target,” “will” and similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those expressed in or implied by such forward-looking statements contained or deemed to be contained herein. The risks and uncertainties which may affect future performance include: deterioration of Japanese and global economic conditions and financial markets; declines in the value of our securities portfolio; incurrence of significant credit-related costs; our ability to successfully implement our business strategy through our subsidiaries, affiliates and alliance partners; and exposure to new risks as we expand the scope of our business. Given these and other risks and uncertainties, you should not place undue reliance on forward-looking statements, which speak only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements.

Please refer to our most recent disclosure documents such as our annual report on Form 20-F and other documents submitted to the U.S. Securities and Exchange Commission, as well as our earnings press releases, for a more detailed description of the risks and uncertainties that may affect our financial conditions and our operating results, and investors’ decisions.

Definitions

- | | | | |
|--------------------|---------------------------|---------------|---------------------------------------|
| ● Consolidated | : SMFG (consolidated) | ● SMFG | : Sumitomo Mitsui Financial Group |
| ● Non-consolidated | : SMBC (non-consolidated) | ● SMBC | : Sumitomo Mitsui Banking Corporation |
| | | ● SMBC Trust | : SMBC Trust Bank |
| | | ● SMFL | : Sumitomo Mitsui Finance and Leasing |
| | | ● SMBC Nikko | : SMBC Nikko Securities |
| | | ● SMBC Friend | : SMBC Friend Securities |
| | | ● SMCC | : Sumitomo Mitsui Card Company |
| | | ● SMCCCF | : SMBC Consumer Finance |
| | | ● SMAM | : Sumitomo Mitsui Asset Management |

Overview of 3Q, FY3/2018 performance (1-3Q aggregate results)

- Profit attributable to owners of parent was JPY 648.1 bn, a JPY 103.4 bn increase year-on-year because of the top-line growth driven by the Retail and International Business Units, the reversal of credit cost from large borrowers of SMBC, and the increase of gains on stocks
- While there is currently no particular risk factor anticipated that may significantly lower earnings in the 4Q, the full-year target of 630 bn is unchanged against potential turn of the business environment
- We are in the process of making detailed examination of the impact coming from the Basel III reforms and will lay out our updated capital policy in May 2018

(JPY bn)	Apr.-Dec. 2017	YOY change	FY3/18 target
Consolidated net business profit	930.4	+83.1	1,130
Profit attributable to owners of parent	648.1	+103.4	630
Total credit cost (Consolidated)	(51.9)	+16.1	(210)
(Non- Consolidated)	(net reversal) 35.2	+32.8	(80)

Progress of the financial targets (medium-term management plan)

		FY3/17	Apr.-Dec. 2017	FY3/20 target
Capital Efficiency	ROE	7.8%*1	10.3%*2	7~8%
Cost Efficiency	OHR	62.1%	60.3%	1% reduction compared with FY3/2017

Per share information (Consolidated)

(JPY/Share)	Apr.-Dec. 2017	YOY change	FY3/18 target
Profit attributable to owners of parent	459.53	+61.15	446.64

(JPY/Share)	Dec. 31, 2017	Change from Mar. 31, 2017
Net assets	7,485.80	+584.13

Credit ratings

	Moody's	S&P	Fitch	R&I	JCR
SMFG	A1/P-1	A/-	A/F1	A+/-	AA/-
SMBC	A1/P-1	A/A-1	A/F1	AA-/a-1+	AA/J-1+

*1 Excluding special factors, such as the effects of implementing the consolidated corporate-tax system *2 Annualized

*3 Capital structure information (current Basel III basis) will be updated in mid Feb. 2018

3Q, FY3/2018 financial results

Income statement

		(JPY bn)	1H, FY3/18	Apr.-Dec. 2017	YOY change	FY3/18 target
Consolidated	Consolidated gross profit		1,465.8	USD 19.8 bn ^{*1} 2,242.1	+68.3	
	General and administrative expenses		(894.6)	(1,351.8)	(6.6)	
	Overhead ratio		61.0%	60.3%	(1.6)%	
	Equity in gains (losses) of affiliates		30.2	40.1	+21.4	
	Consolidated net business profit ^{*2}		601.3	USD 8.2 bn ^{*1} 930.4	+83.1	1,130
				<82%> ^{*3}		
	Total credit cost		(34.1)	(51.9)	+16.1	(210)
	Gains (losses) on stocks		51.5	89.0	+47.2	
	Ordinary profit		615.5	USD 8.5 bn ^{*1} 959.5	+146.2	970
	Profit attributable to owners of parent		420.2	USD 5.7 bn ^{*1} 648.1	+103.4	630
			<103%> ^{*3}			
	ROE		10.1%	10.3%	+0.8%	
Non-consolidated	Gross banking profit		709.1	USD 9.4 bn ^{*1} 1,062.3	(211.4) ^{*4}	
	Expenses ^{*5}		(403.8)	(606.5)	+10.2	
	Banking profit ^{*2}		305.3	USD 4.0 bn ^{*1} 455.9	(201.2)	610
	Total credit cost		25.5	35.2	+32.8	(80)
	Ordinary profit		368.5	USD 4.9 bn ^{*1} 558.1	(116.3)	580
	Net income		284.5	USD 3.8 bn ^{*1} 432.7	(110.5)	450

Consolidated gross profit increased mainly due to the strong performance of investment product sales at SMBC Nikko and continuous growth of the credit card and overseas businesses

General and Administrative expenses increased along with the top-line growth of SMBC Nikko and SMCC. We will continue to focus on cost control on a group-wide basis

Gains (losses) on stocks increased because of larger gains on sales of strategic shareholdings

Contribution of subsidiaries to Profit attributable to owners of parent

(JPY bn)	Apr.-Dec. 2017	YOY change	(JPY bn)	Apr.-Dec. 2017	YOY change
SMBC Nikko ^{*6}	48	+23	SMCC	11	+0
SMBCCF	42	(4)	SMAM	2	+1
SMFL	28	+4	SMBC Trust	(5)	+7
Cedyna	17	(6)			

- Domestic loan-to-deposit spread (Non-consolidated)

(%)	FY3/18 1Q-3Q	YoY change	1Q	2Q	3Q
Interest earned on loans and bills discounted	0.98	(0.08)	0.99	0.98	0.98
Interest paid on deposits, etc.	0.00	(0.01)	0.00	0.00	0.00
Loan-to-deposit spread	0.98	(0.07)	0.99	0.98	0.98

(Ref) Excludes loans to the Japanese government, etc.

(%)	FY3/18 1Q-3Q	YoY change	1Q	2Q	3Q
Interest earned on loans and bills discounted	1.02	(0.10)	1.04	1.02	1.01
Loan-to-deposit spread	1.02	(0.09)	1.04	1.02	1.01

- Reduction of strategic shareholdings (book value)
 - Reduction results in Apr.-Dec. 2017: approx. JPY 65 bn
 - Consent of sales from clients (outstanding) as of Dec. 2017: approx. JPY 105 bn

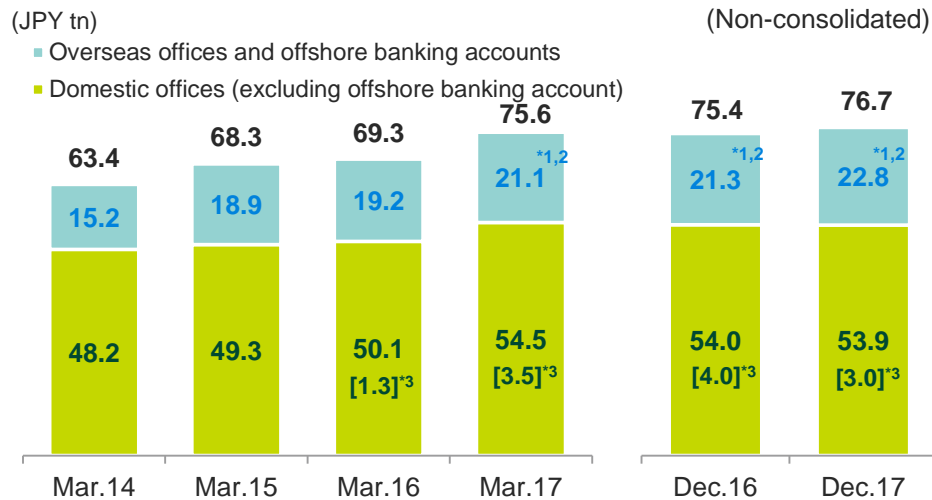
*1 Converted into USD at period-end exchange rate of USD 1 = JPY 113.00 *2 Before provision for general reserve for possible loan losses *3 Ratio to full-year target

*4 Includes JPY 200 bn of dividends from SMBC Nikko associated with making SMBC Nikko a direct subsidiary of SMFG *5 Excludes non-recurring losses

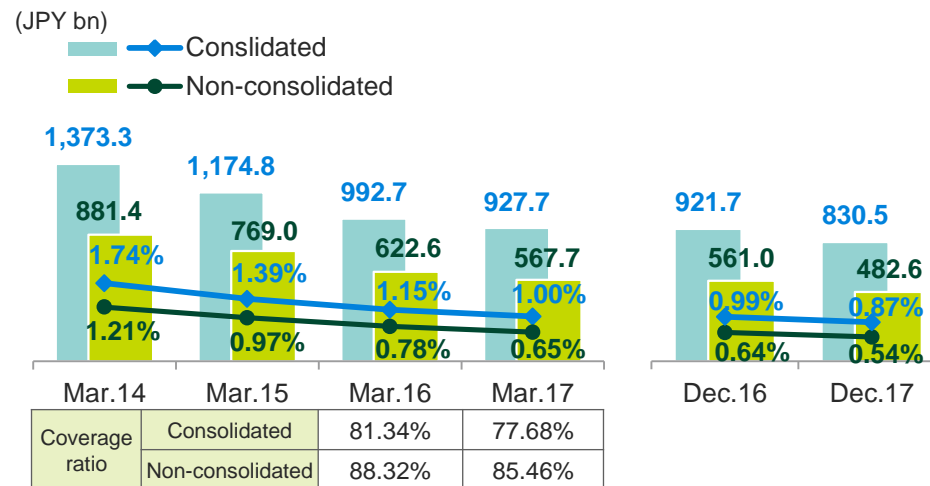
*6 Excludes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG)

Trends in key figures

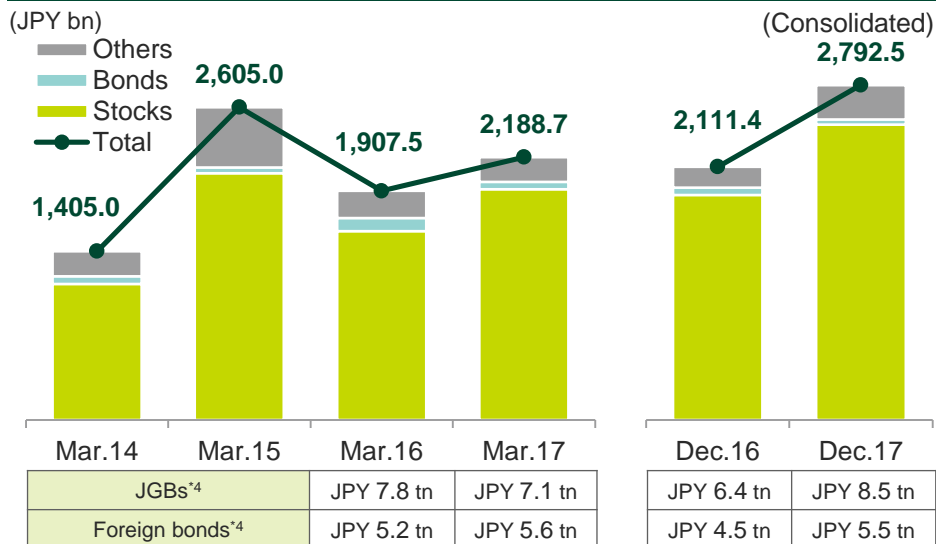
Loan balance



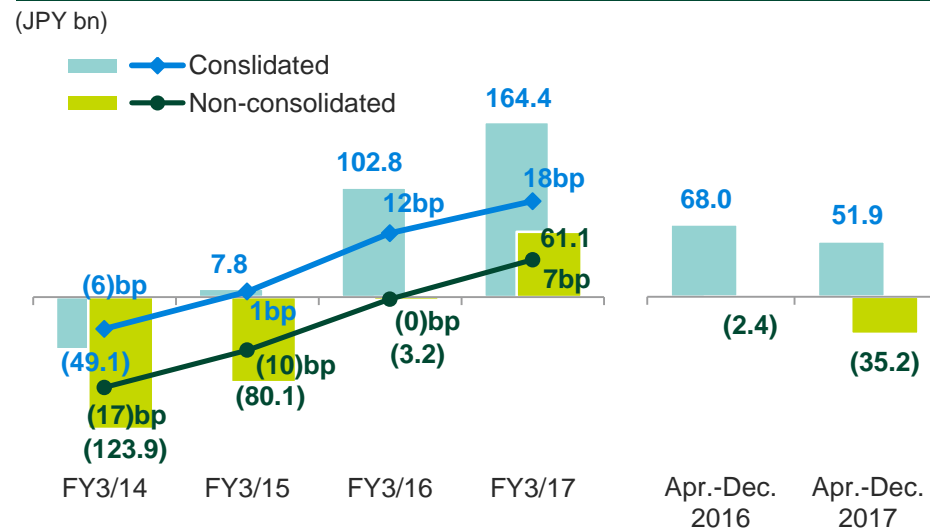
NPLs and NPL ratio^{*5}



Unrealized gains (losses) on other securities



Total credit cost and Total credit cost ratio^{*6}



*1 Exchange rates using TTM as of Dec. 2016: USD 1 = JPY116.49, EUR 1 = JPY 122.68, Mar. 2017: USD 1 = JPY 112.19, EUR 1 = JPY 119.84, and Dec. 2017: USD 1 = JPY 113.00, EUR 1 = JPY 134.99

*2 Includes balance of SMBC Canada Branch which was newly opened in Nov. 2016 and took over business of wholly-owned subsidiary SMBC of Canada

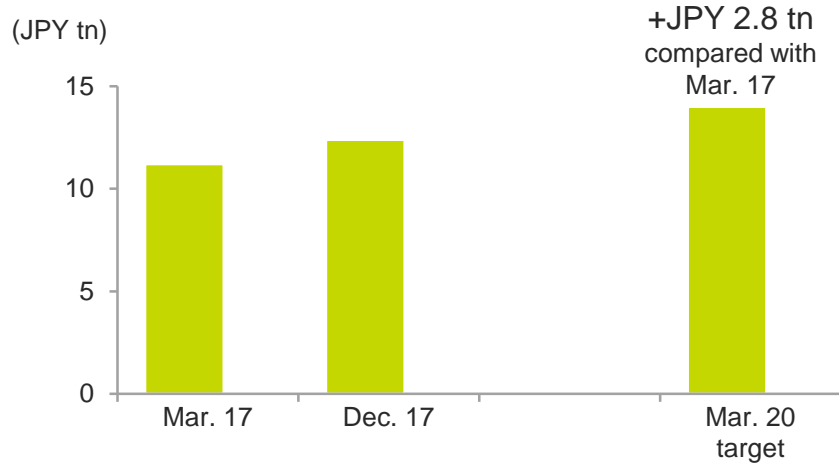
*3 Of which loans to the Japanese government, etc. and SMFG *4 Classified as other securities. SMBC non-consolidated basis. Balance sheet amount

*5 NPL ratio = NPLs based on the Financial Reconstruction Act (excludes normal assets) / Total claims *6 Total credit cost ratio = Total credit cost / Total claims

Retail business

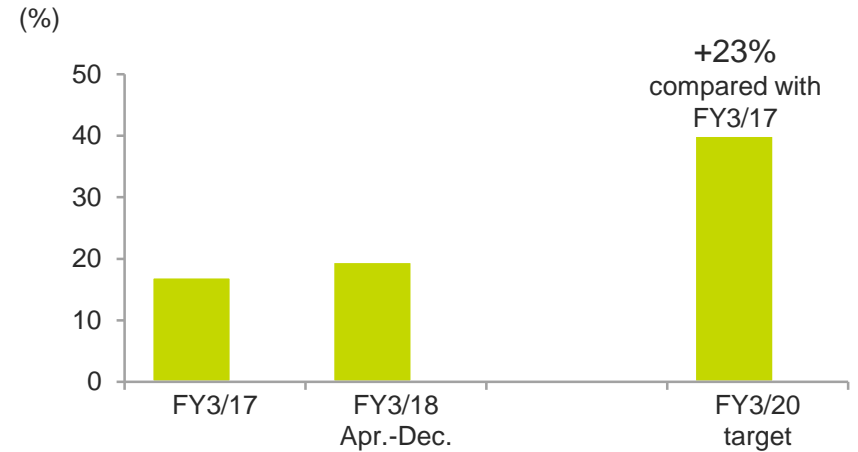
Wealth management business

Balance of stock-based assets (SMBC + SMBC Nikko)



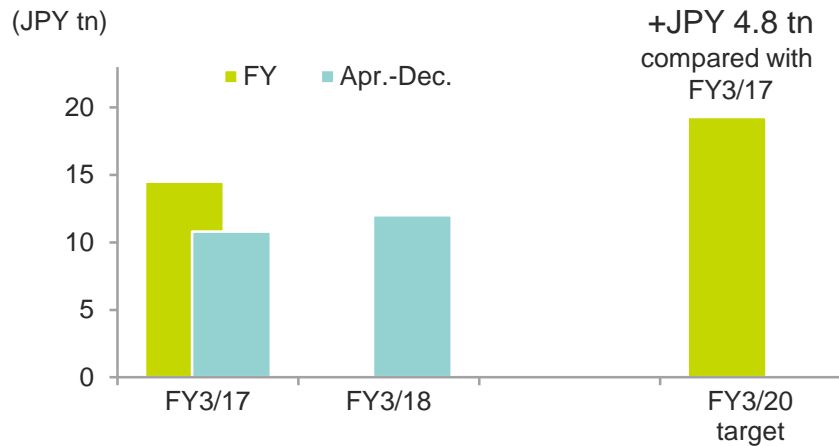
Digitalization

Utilization rate for digital channels (SMBC)*²



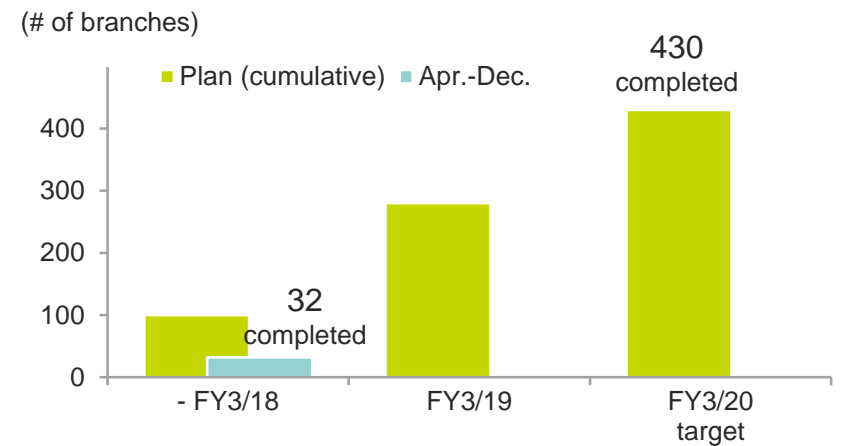
Credit card business

Credit card sales handled (SMCC + Cedyne)*¹



Branch reorganization

Transformation to next-generation branches

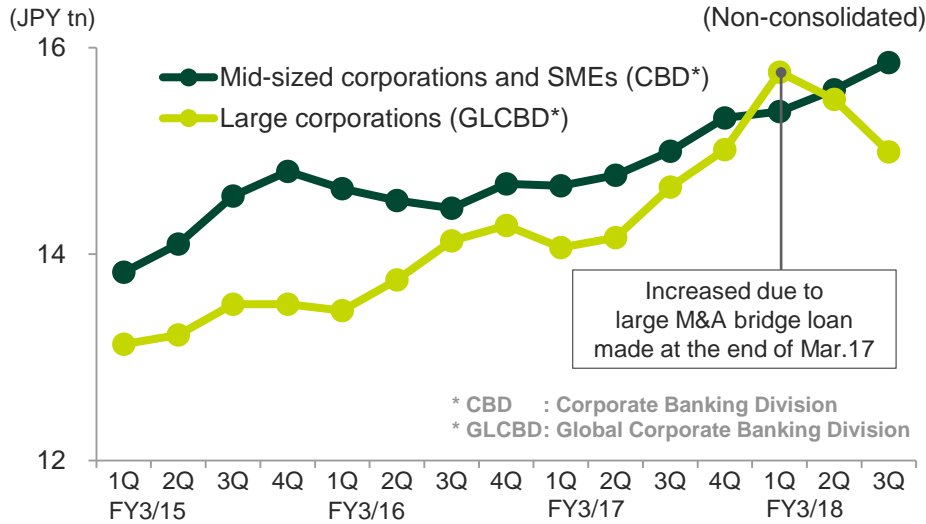


*1 Handling balance for credit and debit cards

*2 Clients using digital channels / (clients using physical branches + clients using digital channels)

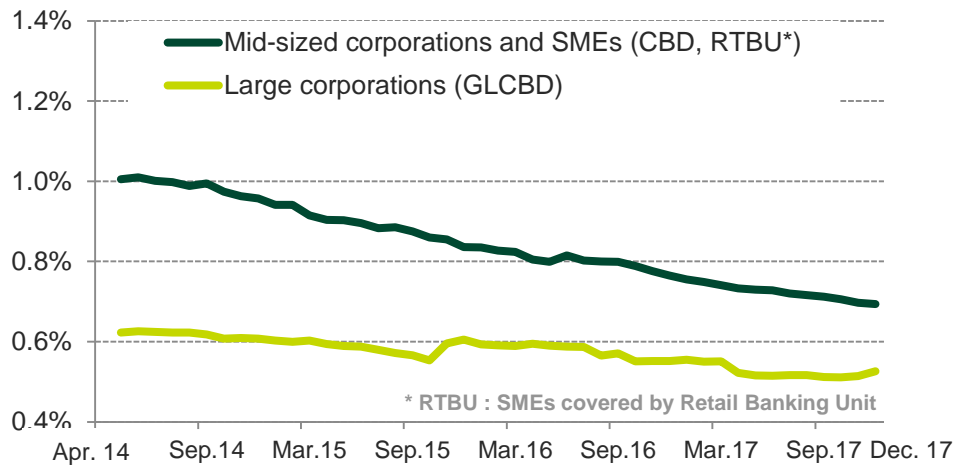
Wholesale business

Loan balance of Wholesale Banking Unit*1, 2



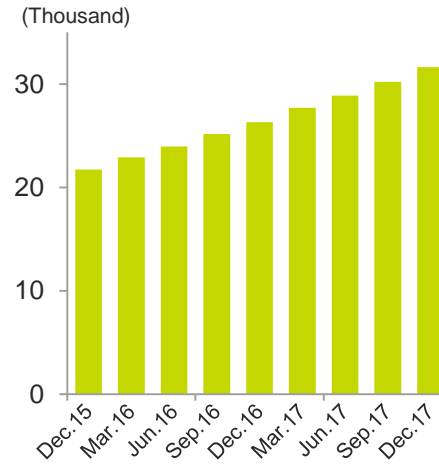
Domestic corporate loan spread*1, 3

(Non-consolidated)

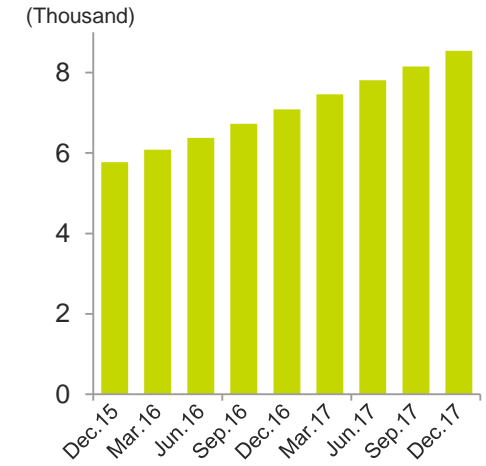


Bank-securities collaboration*4

Asset Management



Investment banking



League tables (Apr. -Dec. 2017)*5

	Rank	Mkt share
Global equity & equity-related (book runner, underwriting amount)*6	#5	8.6%
JPY denominated bonds (lead manager, underwriting amount)*7	#4	16.9%
Japanese corporate bonds (lead manager, underwriting amount)	#4	16.1%
IPO (lead manager, No. of deals)*8	#4	14.8%
Financial advisor (M&A, No. of deals)*9	#1	5.6%
Financial advisor (M&A, transaction volume)*9	#5	9.1%

*1 Managerial accounting basis. Excludes loans to the Japanese government, etc. *2 Quarterly average *3 Monthly average loan spread of existing loans

*4 Accumulated no. of cases via referral / intermediary services from SMBC to SMBC Nikko

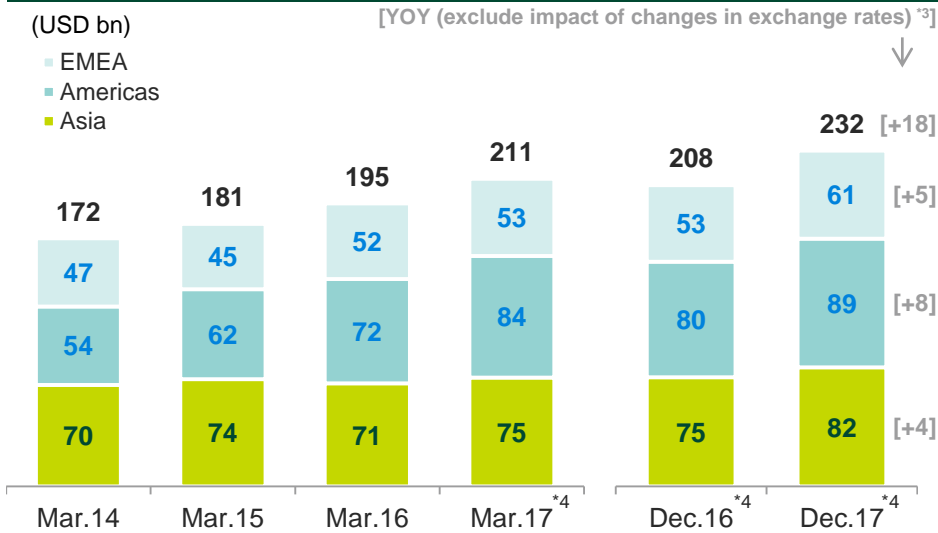
*5 SMBC Nikko Securities for Global equity & equity-related and JPY denominated bonds. SMFG for Financial advisor and IPO. Source: SMBC Nikko, based on data from Thomson Reuters

*6 Japanese corporate related only. Includes overseas offices *7 Consisting of corporate bonds, FILP agency bonds, municipality bonds for proportional shares as lead manager, and samurai bonds

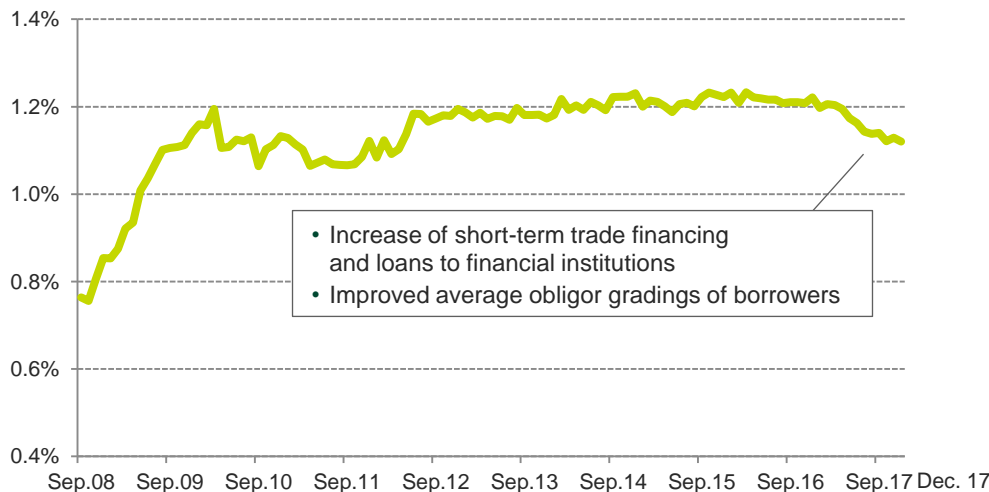
*8 Excludes REIT IPO. Includes overseas offices *9 Japanese corporate related only. Group basis

Overseas business

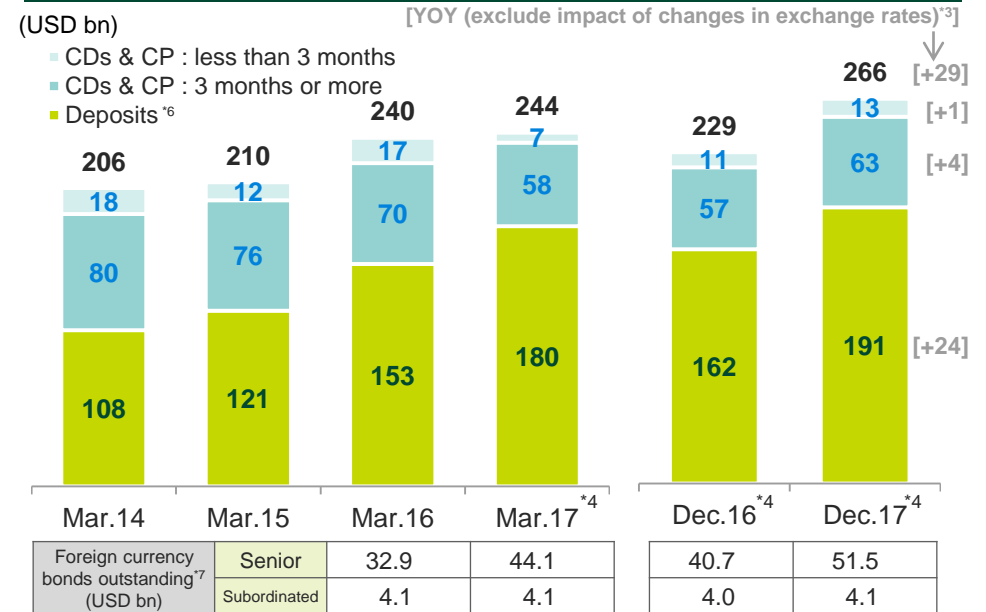
Overseas loan balance (includes trade bills)*1, 2



Overseas loan spread*1, 5



Overseas deposit balance*1, 2



Benchmark issues of foreign currency bonds*8 (since Jan. 2018)

Senior / Sub	Issue Date	Currency	Amount (mn)	Tenor	Coupon
Senior (SMFG) *9	Jan, 17, 2018	USD	1,500	5y	3.102%
			500	5y	3mL+74bp
			750	10y	3.544%
Senior (SMBC)	Jan. 17, 2018	USD	1,250	2y	2.514%
			750	2y	3mL+35bp

Project Finance



- SMBC has won the "Global Bank of the Year" of 2017 from Project Finance International by Thomson Reuters (Selected for the 4th time since 2008, 2012, and 2014).

*1 Managerial accounting basis. Sum of SMBC, SMBC Europe and SMBC (China).

*2 Converted into USD at respective period-end exchange rates *3 Year-on-year changes exclude impact of changes in local currency / USD

*4 Includes balance of SMBC Canada Branch which was opened in Nov. 2016 and took over business of wholly-owned subsidiary SMBC of Canada

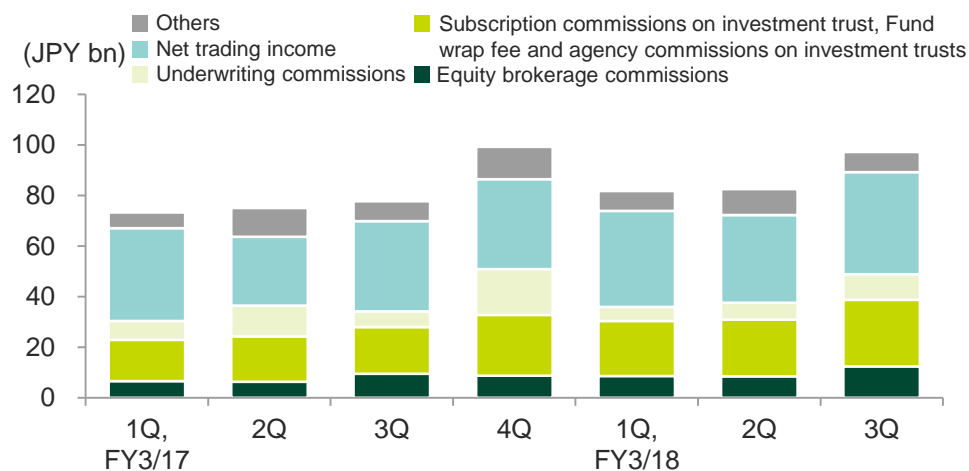
*5 Monthly average loan spread of existing loans *6 Includes deposits from central banks *7 Bonds issued by SMFG and SMBC

*8 Issued in overseas market. Targeting foreign institutional investors *9 TLAC bonds

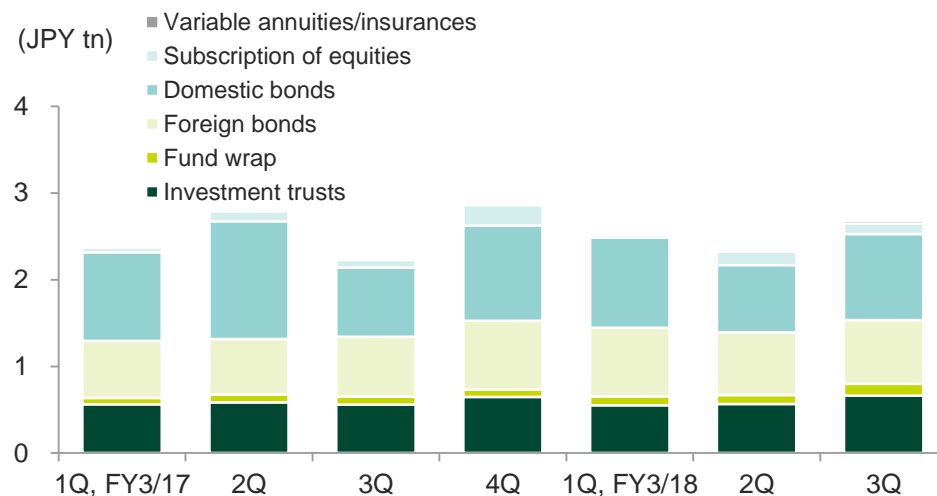
Financial results (consolidated)

(JPY bn)	FY3/17	Apr.-Dec. 2017	YOY change
Net operating revenue	326.7	262.5	+35.4
SG&A expenses	(250.9)	(193.0)	(11.9)
Ordinary income^{*1}	80.0	72.4	+23.8
Profit attributable to owners of parent^{*1,2}	46.9	49.5	+23.2

Net operating revenue^{*3}

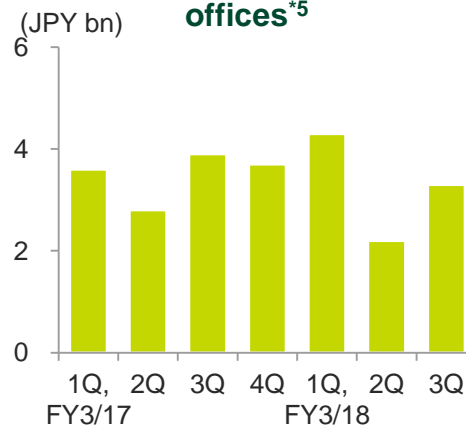


Product sales^{*4}

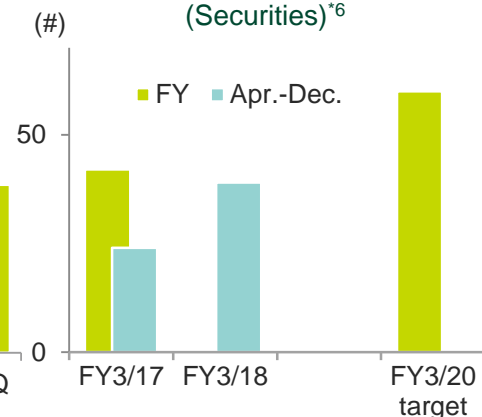


Overseas business

Earnings of overseas offices^{*5}



Active book runner (Securities)^{*6}



*1 Includes profit from overseas equity-method affiliates of SMBC Nikko (consolidated subsidiaries of SMFG) etc.

*2 Recorded loss of JPY 12.0 bn as extraordinary loss at SMBC Nikko in 2H, FY3/17 on restructuring and liquidation of business alliance with Barclays

*3 Fund wrap fee was separated from "Others" and presented as "Fund wrap fee and agency commissions on investment trusts" from FY3/18 and FY 3/17 was adjusted retrospectively

*4 Includes sale of fund wrap from FY3/18

*5 Managerial accounting basis. Overseas offices total is defined as the total of :

- Earnings of SMBC Nikko's consolidated subsidiaries: SMBC Nikko Securities (Hong Kong) and SMBC Nikko Securities (Singapore); and 2)

- Earnings of SMBC Nikko's affiliated companies: Securities Product

*6 Excludes deals of SMFG as the issuer

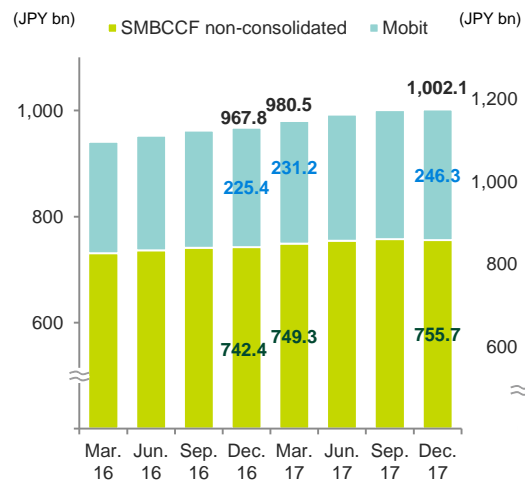
Financial results (Consolidated)

(JPY bn)	FY3/17	Apr.-Dec. 2017	YOY change
Operating income	258.8	206.0	+13.0
Operating expenses	(191.6)	(152.3)	(9.2)
Expenses for loan losses	(54.6)	(48.4)	(3.1)
Ordinary profit	67.4	54.0	+3.8
Profit attributable to owners of parent	111.4	41.9	(4.2)

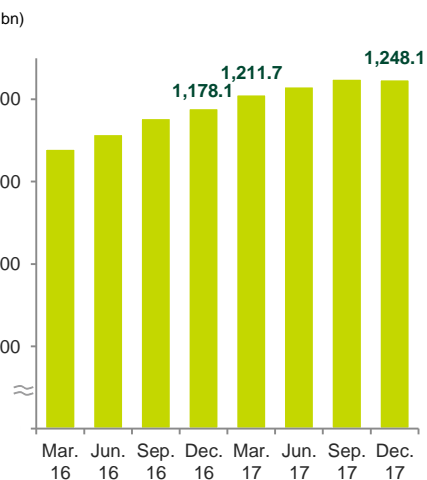
Consumer loans outstanding	1,074.6	1,109.4	Effect of implementing the consolidated corporate-tax system +JPY 50 bn
Allowance on interest repayments	121.6	81.0	
Loan guarantee	1,211.7	1,248.1	No. of companies with guarantee agreements: 189 (as of Dec. 2017)
for regional banks, etc.	561.8	604.1	

Loans / loan guarantee / overseas businesses

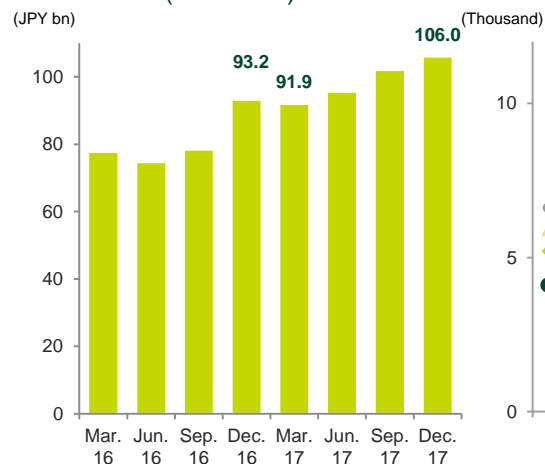
Consumer loans outstanding (domestic)



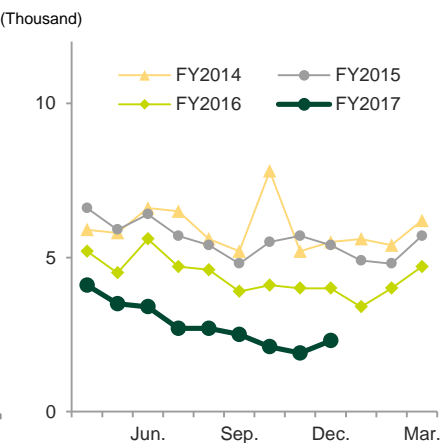
Loan guarantee amount



Consumer loans outstanding (overseas)*



No. of interest refund claims



* Converted into Japanese yen at respective period-end exchange rates

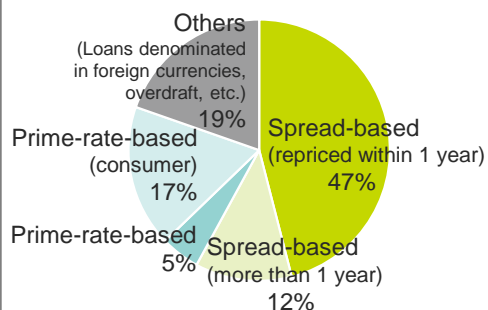
Balance sheet

Non-consolidated

- Balance in the BOJ's current account
Dec. 31, 2017 JPY 37.9 tn

Non-consolidated

- Domestic loans outstanding
JPY 53.9 tn



- By domestic Marketing units^{*1}

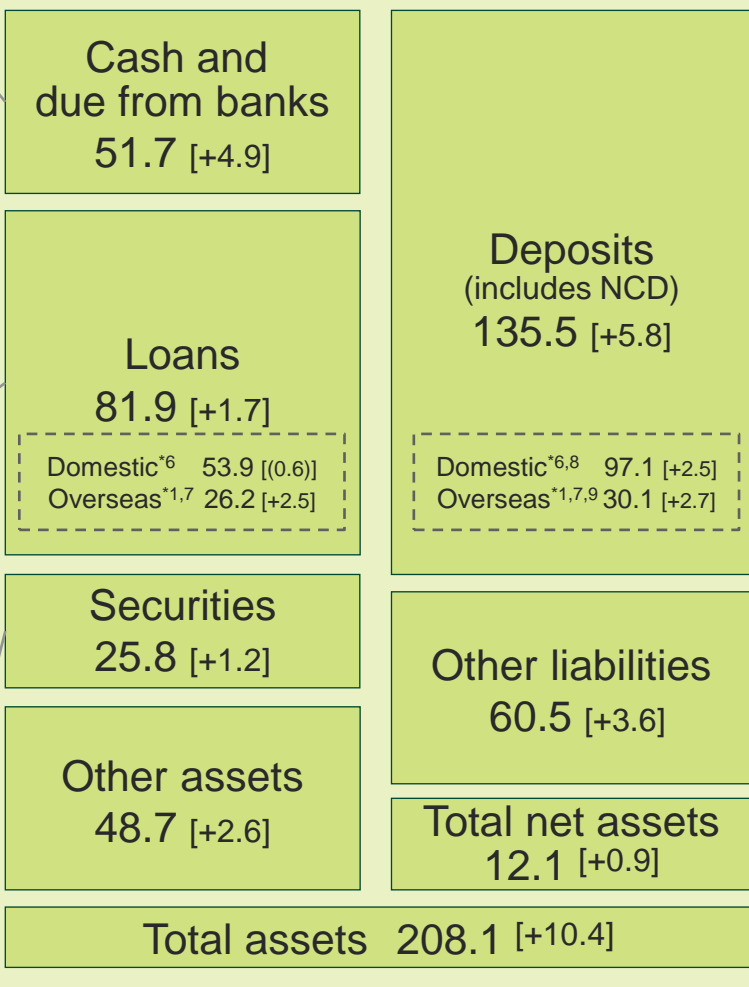
(JPY tn, at period-end)	Dec. 2017	Change from Mar. 2017
Large corporations ^{*2}	15.2	(0.4)
Mid-sized corporations & SMEs ^{*3}	18.0	+0.4
Individuals	13.7	(0.1) ^{*4}

Consolidated

- Of which Stocks^{*5} JPY 4.2 tn
- Of which JGBs^{*5} JPY 8.6 tn
- Of which Foreign bonds^{*5} JPY 7.0 tn

Consolidated B/S (Dec. 31, 2017) [vs. Mar. 31, 2017]

(JPY tn)

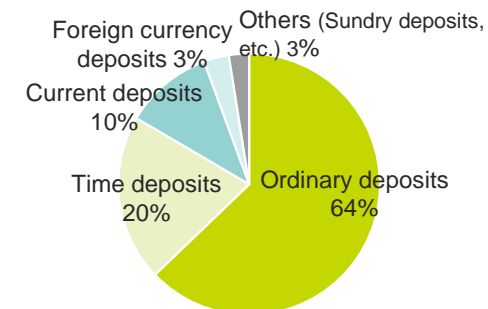


Loan to deposit ratio

60.4 %

Non-consolidated

- Domestic deposits outstanding
JPY 91.0 tn



- By type of depositor

(JPY tn)	Mar.16	Mar.17	Dec.17
Total	82.1	87.7	91.0
Individuals	42.3	43.6	45.7
Corporates	39.8	44.1	45.3

*1 Managerial accounting basis *2 Global Corporate Banking Division *3 Sum of Corporate Banking Division and SMEs covered by Retail Banking Unit

*4 After adding back the portion of housing loans securitized in 1-3Q, FY3/18 of approx. JPY 220 bn *5 Other securities

*6 Non-consolidated *7 Sum of SMBC, SMBC (China) *8 Including NCD *9 Including CDs and CP

Ref: Corporate, sovereign and bank exposures

Domestic

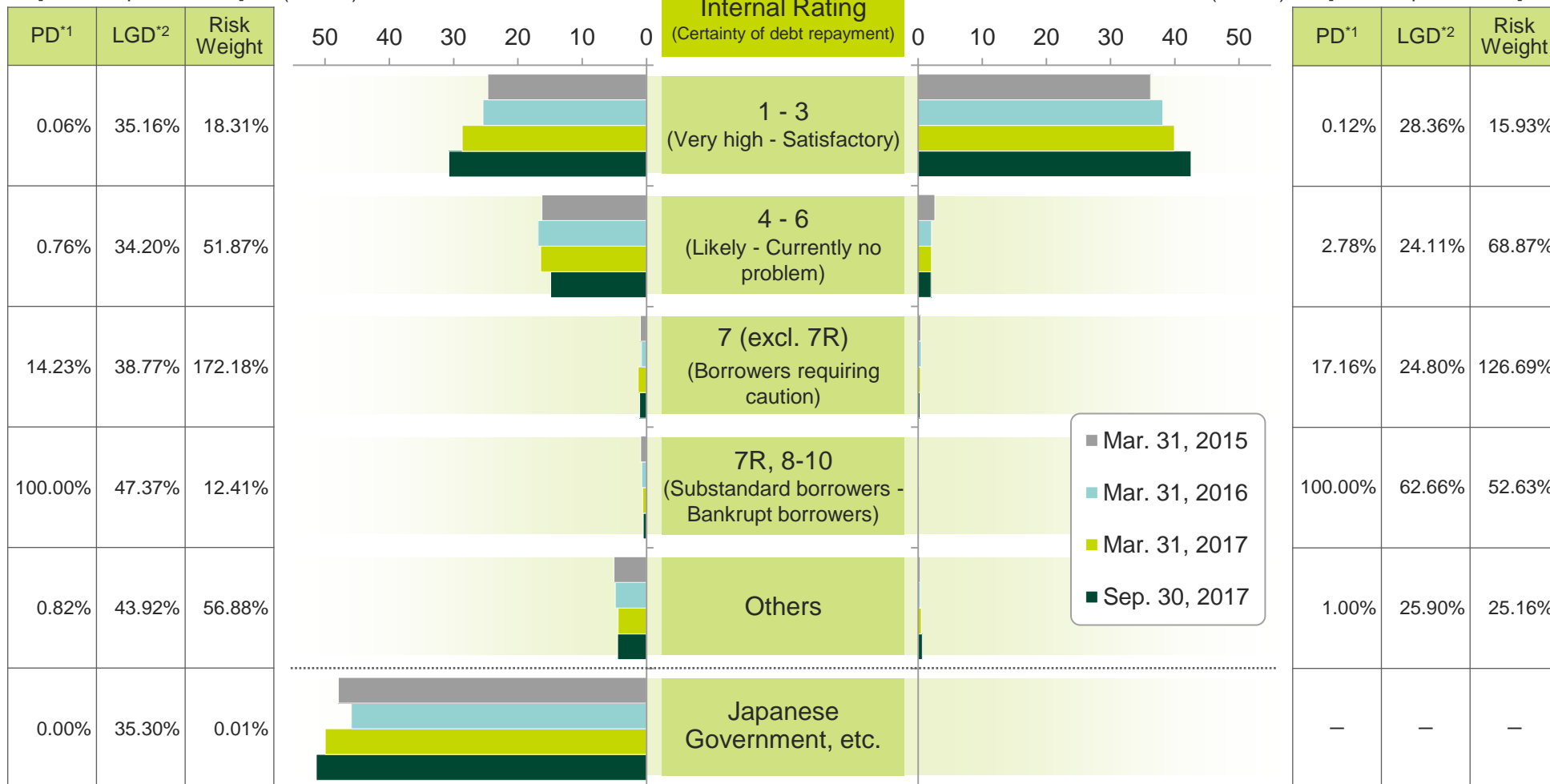
Overseas

[as of Sep. 30, 2017]

(JPY tn)

(JPY tn)

[as of Sep. 30, 2017]



JPY 103.1 trillion

Total
(as of Sep. 30, 2017)

JPY 45.6 trillion

(Consolidated)

*1 Probability of Default. Probability of becoming default by obligor during one year

*2 Loss Given Default. Percentage of loss assumed in the event of default by obligor; ratio of uncollectible amount of the exposure owned in the event of default

Ref: Exposure to resource-related sectors *1

		(JPY tn)	Mar. 16	Ratio to total exposure	Mar. 17	Ratio to total exposure	Dec. 17	Ratio to total exposure
	Integrated Oil & Gas*2		1.5	1.3%	1.3	1.1%	1.5	1.2%
	Services (Drilling, field services)		0.5	0.4%	0.4	0.4%	0.4	0.3%
	Upstream (E&P*3)		1.7	1.4%	1.5	1.2%	1.6	1.2%
	Midstream (Storage/Transportation)		1.4	1.2%	1.4	1.1%	1.4	1.1%
	Downstream (Refining)		0.7	0.6%	0.9	0.7%	1.0	0.8%
	Oil and gas		5.8	5.0%	5.5	4.4%	5.8	4.6%
	Other resources (Mining)		1.1	1.0%	0.9	0.8%	0.9	0.7%
	Non-Japanese*4 (Resource-related sectors)		6.9	6.0%	6.4	5.2%	6.8	5.4%
	o/w Upstream		0.2	0.2%	0.2	0.2%	0.2	0.1%
	Oil and gas		1.6	1.4%	1.3	1.1%	1.3	1.0%
	Other resources (Mining)		0.2	0.2%	0.2	0.2%	0.2	0.2%
	Japanese (Resource-related sectors)		1.8	1.6%	1.5	1.2%	1.5	1.2%
	Resource-related sectors		8.8	7.6%	7.9	6.4%	8.3	6.6%
	Oil and gas		7.4	6.4%	6.8	5.5%	7.1	5.7%
	Other resources (Mining)		1.3	1.1%	1.1	0.9%	1.2	0.9%
	Non-Japanese*4		38	32.9%	41	33.5%	44	35.0%
	Japanese		77	67.1%	82	66.5%	82	65.0%
	SMFG total exposure		115	100.0%	123	100.0%	126	100.0%

- “Oil and gas” does not include petrochemical; Japanese “Other resources (Mining)” does not include general trading companies
- Non-Japanese (resource-related sectors) : Corporate finance approx. 70%; Project finance approx. 30%
- Japanese (resource-related sectors) : Corporate finance 100%. No NPLs
- Exposure to resource-related sectors excluding project finance which are unaffected by resource prices is JPY 7.1 tn; Exposure at default (EAD) to the sectors is JPY 6.2 tn as of Dec. 2017

*1 Loans, commitment lines, guarantees, investments, etc. *2 Majors, state-owned companies, etc. *3 Exploration & Production

*4 Exchange rates using TTM as of Mar. 2016: USD 1 = JPY 112.62, Mar. 2017: USD 1 = JPY 112.19 and Dec. 2017: USD 1 = JPY 113.00